

## EUROPEAN NEWS

## Estonia hands Kremlin chance to hit back at nationalist groups





Annual rate of inflation slows down in France

Big rises forecast in EC air and sea fares By Tlm Dlckson in Brussels

zaise passenger for
Simon Holbert


## Economy responds to Bundesbank policy







## Greece ablaze





Kosove trials



Kocovo's autunami
Lunar flight


Afghan war toll


Delors Repor







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Sarney sends proposals for privatisation to Congress
By
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Navy suspects design fault in Trident missile

NY banker admits insider trading ay James buchan in New Yor $\qquad$


## Generic drugs inquiry welcomed



Whilst an individual can achieve much on his own, real success comes when that individual is. put together with others of like mind

Successful teamwork is about harmonising specialist skills - individual talents working together towards a common goal

And that's how it will be when you work with your local Electricity business. Together we can investigate production needs and help you select the "righit sölutions. Solutions drawn from electricity's unique range of energy efficient techniques which enable


Army officers' return foreshadows amnesty By Gary Hoid




## AMERICAN NEWS

 reform bill approved y Gery Hoid in Buenos Aires
process needs to be closely matched.

> ENERGY COSTS SLASHED

Air knife drying is a perfect example.
Using a high velocity, low pressure
blade of air, surface water is swept away.

 FULL STEAM AHEAD
Companies installing electric boilers
have also been feeling the benefit. While aero-space manufacturers and suppliers have found that the more accurate temperature control offered by twenty minutes using the conventional low bake oven.

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Clean, quiet and able to operate at
ver $90 \%$ efficiency at the point of use, they can be installed exactly where steam is needed, resulting in con-
siderable energy cost savings.

## Likewse, electric

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 cost-effective techniques, electricity has body rec- proved itself to be a valued member of
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 out how In the ceramics industry, drying Marketing Manager at your local Electricity business, or post the coupon with your business card or letterhead and we'll send you our VFS video 'Electricity, Practical Help for Industry'.

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Rafsanjani emphasises fears over economy Sy Victor Rhaliet
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Indian troops enmeshed in tangled Tamil web David Housego, recently in north Sri Lanka, reports on fears of a bloodbath should Delhi withdraw:



## Investigation into $B N L$ for Canberra's tighter policy 'may be insufficient'






## Fresh crusade to make industry competitive







## Japan prepares to stem the rising tide of boat people

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## Painful economics behind guinea worm eradication plan

##  <br> wh

Yesterday, the most advanced long-distance aircraft ever to join the Qantas fleet became the first passenger aircraft to fly non-stop between London and Sydney. Technology aboard the new Qantas "Longreach", appropriately named after the small town from which Qantas pioneered long-distance travel, enabled it to complete the $18,000 \mathrm{~km}$ journey in twenty hours, ninie minites. Our Qantas "Longreach" is Boeing's latest 747 and has been specially designed to fly further than any other aircraft. So you can


## Tragedy of Middle East's proxy battlefield

As Lebanon's 14-year civil war hits new depths, Andrew Gowers, Middle East Editor, examines a seemingly intractable conflict


Israelis content to see foes preoccupied



General Aoun: an artillery officer, not a politician

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## Iraqi and Iranian involvement fuels flames of civil war

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## Varying degree of loyalty among Syria's motley allies



## Central banker fighting to keep a devastated econonny afloat











Kaifu aims to reassure US on economic growth

## S Korean-US cinema dispute heads for a happy ending

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## Mediation

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## Caribbean sore point over sugar and run

## By Canute James in Kingt

PRICE WATERHOUSE
and the FINANCIAL TIMES CONFERENCE ORGANISATION present:

## CAPITAL MARKETS WORKSHOP

## 16-18 OCTOBER, 15-17 NOVEMBER \& 4-6 DECEMBER 1989



US workers join opposition to offer for BAT
By Lionet Barber in Washington US TRADE unlons yesteriay DSA, hut only 6.000 belong to opposition here to the selinn
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## Directors given freedom

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THE MONTHLY MAGAZINE
FOR EXPATRIATES FROM
THE FINANCIAL TIMES

## Investing for income?

Teaching grandmothers to climib the Andes

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One Europe and fwo Channel Islands

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## WORLD PULP AND

 PAPERThe Financial Times proposes to publish this survey 12 DECEMBER 1989
For a full editorial synopsis and
advertisement details please contact: ALISON on 01-873 4148
or write to her at:
Number One Southwsrk Bridge London
FINANCIALTMMES

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## British Tleceom



Highlights of the first quarter to 30 June, 1989

- Operating profit up 7.1\%
- Earnings per share up 4.3\%
- Continued strong growth in inland and international call volumes
- Business and residential exchange line connections up by $10.9 \%$ and 3.4\% respectively
- Strong growth in demand for cellular telephone services
- Capital investment totalled $\$ 814$ million
- Over $80 \%$ of trunk calls switched digitally
- Over $25 \%$ of customer lines served by digital exchanges
- Continued improvements in quality of service


## 

British Telecommunications plc, 81 Newgate Street, London ECIA 7AJ.
itsyou we arswer to

THE PROPERTY MARKET

## Test case for shopping centres

Paul Cheeseright on the expected decision on Blue Water Park


Unit trusts grow more active


 ( $)$



Open this box to find what is probably the single most significant development opportunity in the UK..








## COMMERCIAL PROPERTY

PARSONS GREEN NEW OFFICE
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Clive Radford on (0272) 292565
or write to him at:
Merchants House
Wapping Road Bristol BSI 4R.W
Fax: (0272) 225974
mancianmimes

## Kent Police

## Why finance has become part of 'real' work

Alan Pike examines a radical move in one UK force to shift responsibility



## Dipping into the

 issues of 1992Tim Dickson reports on a system that tracks market unification developments

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## TECHNOLOGY

## Concocting new ways to contain a poisonous genie

Peter Knight assesses methods of disposing of toxic waste which should provide an alternative to incineration



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## JOHNNIE WALKER RYDER CUP HOSPITALITY IMPORTANT ANNOUNCEMENT

A number of unaurthorised corporate hospitality companies,
one cf which has been caling itself fyder Cup Hospitality Lore, have
 Johnnie Walke Ryder Cup at the Belify, (2Ist-24in September).
If your Company has made a booking to entatain cients at this evert, with any corporate hospitantity comparyy other than
 Association, it is prosabte that you and your guest will hot be
prowided with tickets valid for admission to the Goff Course. If you are in this postion, pleass teleponone Paticica Kobak on O17417801. We will do everything we can to help at this blete stage:
This announcement has been placed jointy ty the PGA and This announcerenent has beien placed jointly by the PGA and
Keith Prowse Hospitality.

INTERNATIONAL FUND MANAGEMENT

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## 23 OCTOBER 1989

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## RICHARD BECCLE

 on 01-873 4181or write to him at:
Number One Southwark Bridge London SE1 9HL

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## Clyde Nouveau

| Iain Hegrie"p new play Clyde Nourveiz courd be soen was the Festwais rasive advertising slogan, "There's a lot Clasyowigg on Capltal of Enturope is already under jeerinity heelthy aituck from tis resident artists, mond Heggie's collaboration with attempts to raise the satirical stakes by tutine Ber Fonson' The Absterist as bis model of small-tirie skuiduggery It it The resodit is only party trac <br>  ael Boyd's production, trall of sounds as if the actors atre making ents and ncorporating Graham Johnston's. Wirneavecse grimy brick wails is hitcolersant of location switches, bederiled with bad sichtinines and inimit- $\qquad$ | call to both olsiblity and audi- |
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## Iphigénie en Aulide



Montserrat Caballé


## USHER HALL








Ronald Crichton

Royal Ballet's new season
The Royal Ballet's 1989/90
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House will open on September
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ARTS GUIDE

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## BBC Philharmonic aLmert hall  <br> BBC Philharmonic <br> <br>  <br> <br>  <br> <br>  <br> <br>  <br> <br>  <br> <br>  <br> <br>  <br> <br>    <br> of the compaser's. It is a strange, centroteres piece, bullit from revolving furtive pit Trom revolving, fugitive pat terns which cover the spec- trum onethentury musical history from Stravinsky to   Bettreen Mcababe and Slibl iut Heinz Moliger delivered Richard strausse S Ohoe Con certo. Once upon a time tit vorid have defined his perf nance for Holliger in his eat oustere days resp ost personal orp ond wood nectos will nalty and ape apparent in im   <br> Andrew Clements

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August 18-25


Soho festival launch for national youth jazz competition
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FINANCIAL TIMES

Friday August 181989

## A historic

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## The US glass

 is half full
 developments in the new Polish politics







## Inn fighting

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Kevin Done reports on Rover's attempt to take itself up-market

## New cars, new corporate image



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## A sad inability to parlez vous <br> By David Thomas



## LETTERS

'The Japanese are very different'




Dividend policy and BAT

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Equality begins at home



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For those who've never given a second-hand car a second thought

A second-hand car doesn't have to look
or behave like a second-hand car Not if tos a Mercedes-Benz with the official 'Ouality Used Car' lebel.

Start with the undated appearance. Mercedes-Benz don't alter their designs every time there's a motor show. And the quality of the paintwork and trim is such that normal wear and tear is scarcely perceptible. interior materials retain their appearance and feel, with no maintenance except occaslonal cleaning.
Mercedes-Benz expect their cars to perform as well after 50,000 miles as they do just after they are run-in. So most people would be har put to tell the difference between a second-hand

## FINANCIALTIMES

Qantas flies into history with non-stop Sydney trip


## France sends aircraft carrier to eastern Mediterranean



Lloyd's underwriter cleared of charges Conituad Amprow






## 






## Peking put

 at 1,300By Colna MacDougall
in London
AT LEAST 1230 people wen
kaled in China's hioody crack

## A salesman whose car never lets him down is like money in the bank.

## Because he is at the sharp end of getting business in, th

 impact of each hour not working is felt right down the line. An easy way to help a salesman perform well is to make And that isn't guve him the support he.needs.And that isn't just getting him to appointments on time and without oil on his hands. It means arriving and feeling the part in a smart current car and being able to do bette It
It also makes it easier to attract more good salesmen. ment means that we are particularly good at providing the right car for the right job. (And equally important, for the right price.)
If the worst ever happenṣ; there is always breakdown assistance.

To save time that is even more expensive we also save your management's time. Do they really need to concern hemselves with the resale value of twenty-five four year old If you
If you feel they are better building up the business, not to mention the current account, contact Peter Henshall at office.
Royscot Drive, Vehicle Management Services, 286 Chase Road, Southgate, London N14.6HF. Tel: 01-882 8861


|  |
| :--- | :--- |





Navistar profits and orders fall sharply



## 




## 






Royal profits slip $\mathbf{2 2 \%}$ to $£ 120 \mathrm{~m}$

##  <br>  











## GEC and Siemens

 doubt Plessey's ability to survive
Spanish banks announce three cross-border deals By Tom Burns in Madria
DEFrying ths
nid.




Expanding our activities in the international financial arena.

|  | Dollars the milious | 6/30/89 | 6/30/88 | \% change |
| :---: | :---: | :---: | :---: | :---: |
|  | FIRST HALF RESULTS uncome before paxes Net Income | \$ 3231.6 | s ${ }^{236.6}$ | 335.9 \% |
|  | balance shiset data Equity <br> Louns and discounts Averuge sotell ascet |  |  |  |
|  | ratios <br> Rearm on asseces <br> Operring coansiverage pobl ssse |  |  |  |
|  | - 465,448 Sharcholders | -1.586 offices in 27 coumuries |  |  |

Banco
Santander

BNP swaps finance unit for 85 Spanish branches

Burns in Madrid



## DG Bank ventures into Spain

## Burns





Banco de Santander buys stake in Kemper By Tom Burns BANCO DR SANTANDER, the
big Spanisc commercial bank
added another string to its
growing international box Yith the purchase, announcer
Yestetriay. of 3 per cent oo
Kemper Corporation, the hold
 and insuruance groanagement
repor pride sice paid was a
rist
 per conts stake in the bank anic
a further 10 pere
Sant in Banco

 Santander said the latest
prichase formed part of a
widespe

 Whaine Sand in ortrer areas
whater
Under the purchase terms
 Last month Mr Lmilio Rotion,




Mixed interim results in Danish banking sector


| Neater |  |
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|  |  |
|  |  |
| Nippon Stainless Steel Co., Ltd. |  |
| U.S. \$100,000,000 |  |
| $37 / 8$ per cent. Guaranteed Notes 1993 uth |  |
| Warrants |  |
| to subscribe for shanes of common stock of Nippon Stainless Steel Co., Lid. The Notes will be unconditionally and irrevocably guaranteed by |  |
| The Sumitomo Bank, Limited |  |
| 1 Issee Price 100 per cont |  |
| Yamaichi International (Europe) Limited |  |
| Daiva Europe Limited | Sumitomo Finance International |
| Morgan Slanley International | Swiss Sank Coroporation |
| LTCB International Limited | Sumitomo Trust International Limited |
| ${ }^{\text {Banca del Gotardo }}$ | Banque Bruxelles Lambert S.A. |
| Baring Brothers \& Co, Limited | Citicorp Investment Bank Limited |
| Dai-ichi Earope Limited | Deutsche Bank Capital Markets Limited |
| Goldman Sachs International Limited | Meiko Europe Limited |
| Merrill Lynch International Limited | Missubishi Trus International Limited |
| Morran Grenfell \& Co. Limited | NatWest Capital Markets Limited |
| The Nikko Securities Co, (Europe) Ldd. | Nippon Credit International Limited. |
| Nomura International | Saitama Finance International Limited |
| Salomon Brothers International Limited | J. Henry Schroder Wagg \& Co. Limited |
| Société Générale | Taiheijo Europe Limied |
| S.G. Warburg Securities |  |

## French insurers man the defences

George Graham previews the country's biggest takeover battle.




## IBM agrees Rolm sale to Siemens

by Roderick Oram in New York and David Gooothart in Bonn


## XP Systems sale boosts KLM

Davis increases


$\frac{\text { NEWISSUE }}{}$ (Earopcan Tranche)
17th August, 1959

##  <br> NISSHIN STEEL CD.; LTD.

U.S. $\$ 600,000,000$

33/4 per cent. Bonds Due 1993
with
Wärrants
o subscribe for shares of the common stock of Nisshin Steel Co., Ltd.


Electrolux up 10\% midway but warns of weakening demand
By Robert Taylor in Stockholm

Drug delivery systems aid Pharmacia's 13\% rise
By Robert Taytor

## PHARMACLA, THE Swedish phasesearch and prodnction has phatenaticala and bion




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1. G INOEX LTD, 9-11 GROSVENOR GARDENS, LONOON SWIW OED Tel: 01-828 7233/5699 An AFBD member Reutrers Code: IGIN, iG10

Prlces taken at 5pm and change is from previous close at $9,3 \mathrm{~m}$



Bank of Communications

U.S. $\$ 40,000,000$ Floating Rate Notes due
(Redemantle a t the Notelolders' $\mathbf{1}$ option in 1990)


 Ageat Bamb Lloyds Bank


This notice is imporant and requires the immediate attention of Bondholders If Bondholders are in eny doult as to the action they show
take, hey should consult heir indep
Consolidated Gold Fields PLC (the "Issner")
NOTICE
To the holders of the $£ 110,000,00067$ per cent Convertible Subordinated Bonds Due 2002 of the Issuer (the "Boads") of the EARLY REDEMPIION
on September 29, 1989 of all the Bonds
Conversion right expiry date : September 21, 1989
Redemption date : September 29, 1989

NOTICE IS HEREBY GIVEN to the bolders of the Bonds (hhe "Boochbolder"') that, pursuant to and in accordance with the termes and conditions endorsed on the Bonds (the "Conditions"), the Isseer will on Septem ber 29,1989 (4he redemption date") redecem all the Boands cont of their principal valuc, together with interest amounting to $\pm 67.3125$ per $£ 1,000$ nominal of the Bonds accuved to the redemption date.
Bonchlolders have the option to convert the principal amoumt of the Bonds into Ordinary Shares of the Issuer, credited as fully paid, at a conversion price of fi0.80 per Ordinary Sbare. As provided in hhe Conditions, any Bondholder who wishes to exerecise his right to convent
must deiver such Bords to any of the specified offices listed below of the Principal Paying and Conversion Agent or the Paying and Conversion Agents, accompanied by a duly signed and completed notice of conversion in the form obtainnable from any such office, at any
 equal to thc face valuc of any missing unmaturred Coupoons as provided in the Conditions
The Increased Offer from NM Rothsccild \& Sons Limited on bebatif of Hansoo Fre for the ordinary sbare capital of the Issyer extends to open for acceppance subject to 14 days prior notice of closure by Hanson decirc The whorms of the Inverased Ofter are 5143 in cessh and Bonds will be enituded to receive and retain the special interim dividend of 30 p oet, 40 p gross, per Ordinary Share of the lsseer in respect

 become entited under the Increased Offer. Copies of the offer document and the Form of Acceppance relating
be obtained from Loyds Benkk Plc, Registrar's Department, Goring-by-Sea, Wortuing, Wst Suseax BN12 $6 D A$
On redemption, payments of principal, premium and accaved interest will be made in accorcanco with the Conditions, zeainst surrender
of the Bonds at any of the specified offices of the Primcipal Paying and Conversion Agent or the Paying and Converion A Aents listed beclow ach Bond should be presented for redemption togecher with al unmmatured Coeppons appertaining thereto (inclinding the Coupon for th period to September 30 . 1989), failing which the amount of any sncth missing ummatured Courpons will be deducted from the sum due for
payment on the redempion date.



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The atention of Roondoloders is drawn to the Conditions and, in particolar, to Conditions 4 and 5 which contain further details regarding


Bankers Trust Company
I Apoold Street
Appold Street
Broadgate
London EC2A 2HE
Paying and Conversion Agents
Indosuez Luxembourg
39 Allee Scheffer
Luxembourg

174, Anyenc, 2988

## - <br> DAIO PAPER CORPORATION

U.S. $\$ 150,000,000$

37/s per cent. Guaranteed Notes 1993

## Warrants

o subscribe for shares of common stock of Daio Paper Corporation The Notes will be unconditionally and irrevocably guaianteed by

The Nippon Credit Bank, Ltd.
Issue Price 100 per cent.

Yamaichi International (Etrope) Limited
Dai-ichi Europe Limited
Goldman Sachs International Limited LTCB International Limited

Nomura International
Sanwa International Limited
J. Henry Schroder Wagg \& Co. Limited Taiyo Kobe International Limited James Capel \& Co. Limited Deutsche Bank Capital Markets Limited Morgan Stanley International Taiheiyo Europe Limited

Nippon Credit International Limited Daiuxa Europe Limited Leu Securities Limited Morgan Grenfell \& Co. Limited Norinchukin international Limited Sanyo International Limited Swiss Bank Corporation Westdeutsche Landesbank Girozentrale Credit Suisse Füst Boston Limited KDB International (London) Limited

Société Générale
S.G. Warburg Securities

## INTERNATIONAL COMPANIES AND FINANCE Hang Seng Bank profit 15\% ahead

$\qquad$

Hair restorer problems will slow Lion's growth
ay hoben imomaon in Tokyo

胃








Hongkong Electric surges 16\%


## New lissen August 17,1989

Daio Paper Corporation
lyo-Mishima, Japan
DM 100,000,000 13/4\% Bonds of 1989/1994
and Warrants to subscribe for shares of common stock of Daio Paper Corporation
unconditionally and irrevocably guaranteed by
The Long-Term Credit Bank of Japan, Limited

| Offaring Price: 100\% |  |  |
| :---: | :---: | :---: |
| Interest $\quad \mathrm{P} / \% \mathrm{p} . \mathrm{a}$ |  |  |
| Repaymant: August 17 | T/\% p. 2. peyable annually in arrears on Augurt 7 |  |
|  | With each bond in the denomination of DM 5,000 and DM 50,000 five and fify bearer wasrants, respectively are issued by Dalio Peper Corporstion, entiting the bearer to subscribe for shares of of Yen 1,248 per share. The warrants may be exercised from Septernber 1, 1989 through August 10, 1994 |  |
| - Bonds <br> - Warrants $\quad$ Frankur | Frankfurt/Main Frankfurt/Main |  |
|  | Deutsche Bank Addiangaseshlschant |  |
| Daiwa Europe (Deutschland) GmbH . LTCB internationil Limited |  |  |
| Bayerische Vereinsbank Actiongeosenlecrrat | Commerzbank Atblenineseslechant | Dai-chi Europe Limited |
| Generale Bank | Morgan Stanley GmbH | Nippon Credift International |
| Nomura Europe GmbH | Schweizerischer Bankverein (Deutschland) AG | in Westuleutsche Landesbank Girozentrale |
| Yamaichi International (Deutschland) GmbH |  |  |

## INTERNATIONAL CAPITAL MARKETS

Treasuries retreat after trade data
By Janet Bugh in New York and Katharine Campbell in London



Kon to Jul mas 3.5 per cent
 But the pubpitigation of the US
trade figures had more impact



 above 30 basis points. Dealers
comented that in the spreads
openent tod around the
point mark baysis
be attracted iners might well
be attracted in
The UK gittedged securties
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The unexpected downurn in
average earning took the mar
ket by
 per cent undersying increase
low as as goten woaknene the trade
low
 another rise in the weekly
noterineirculation figure -a
coincident indicator and hence

 ended jittis changed The sep-
temmer long gill future closed

to of a point lower at goso. | Study backs |
| :--- |
| higher junk |
| bond yields | By Norma Cohen NNVESTORS in high-gielding

junk bonas do not receive a
sufficiontls high sufficiently high enough return
to compenset there for the
high rate of defongots high rate of difanalts, accordin
to a new sturdy on junk bon
performance
The The studuty conducted by the
Bond Investors Assoclation group based in M Miami, Foriciant
concldided thas the
premium over OS Treasurt premium over
pields, commonly cited
approping appropriats for junk bonds.
stoul rise to 7 per cant to
compensate for defant
rigks Jum bond yields in the US
have risen staakply in the first
half of this
 Treaseries.
The froup said it reached its
conclusions
 rate bonds since 1980.0
approximately
whick bond issues have detaulted since 1980, se211bn or 70.1 per cen
were noninvestment grad
junk bond
The study estimates that this
 nidicantly higher defalit rat
than that forme in other reen
studies of junk bond perfor mance
(hilike previous amalysis of
junk hond market, the the junk hond market th'
Bond Investors Association's
study attempted to computs study attempted to computs
the weighted average settle
ment recived by inveror ou
mefurecter defauted bonds. This has been
calculated at 49.6 cents on the
dolar. Defanits on invest ment
grade bonds. meanwhile hamy
totalled about $\$$ ghnn since
hasg Howeverout the study notes because this market is so much
lagree than the junk bond mar
ket the detault rate overall is

## Hungarian unit

 of Citicorp to lead buy-out By Our Financlal StaffCrTibANE BUDAPEST,
Hungaian subsidiary of cirit cong of tre sid, has signed an
criement in Budapest for thi

 prising sene ior and mivestorse comp
agement, employees and the agement, employees and the
Berger tamily, z leading Aus
trian stationery supplier
 the assets and business o,
Apis for Tom forits (111.5m),
Citicocip will rebin a stake o fust over wane retiain in the come
pany
cticorno said that the

Bank of Tokyo Capital Markets Gromp Shearson Leluman Hutton International

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Creatit Suisse First Boston Limited
Deutsche Bank Capital Markets Limited
IRJ International Limited
Merrill Lynch International Limited
Paribas Capital Markets Grounp
Swiss Rank Corporation

Mitsubishi Finance International Limited J. P. Mongan Securities Ltd.

Crédit Lyonnais Daiwa Europe Limited Goldman Sachs International Limited CTCB International Limited Nomura Intemational

Salomon Brothers International Limited UBS Phillips and Drew Securities limited
S.G. Warburg Securitie

## INTERNATIONAL CAPITAL MARIKETS

Good swap rates trigger two issues in C\$ sector By Andrew Freeman


Hesse in head-hunt for an image builder
Haig Simonian on the search for a high-profile president for the state's central bank


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UK COMPANY NEWS

A solid performance against quite a difficult enviroment'
BT tops expectations with $£ 635 \mathrm{~m}$


estm to s105m, reflecting th




British Gas fights off shareholder involvement By Richard Tomkins,
Midiands Correspondant BRITISH GAS, which has th
higest share register in
hritain atter Abbet



EHP hit by problems in southern Europe


Boots forced to qualify survey statistics



## ASSOCIATED-HENRIQUES plc

The Group's major activity is to make available trade finance and related tride services to small and medium-ized
businesses through its subsidiary, DQ Henriques Limited.




## Terms of GE ventures altered



Approach made to Monks \& Crane
(


For us at Babcock, our demerger is more

than just big news.
It is the start of a brand new venture. enterprise, we have given our a success harper profile. One that is better suited to the business we're in.

We are involved internationally with ower and power generation; with nuclear and process plant contracting; with construc ion services, and dockyard management.

As main contractors to governments, we are at the start of a massive programm and reduce the acid rain

Our management and workforce are totally committed to this new venture.

Our order books give us confidence in the future. Both in the UK as exporters, and over

Whilst our aim has always been to think big, our objective now is to grow stronger.

## Babcock

BABCOCK INTERNATIONAL GROUP PLC
Head Office: 11 The Boulevard, Crawley, Sussex RH10 1UX


DC Gardner awarded training contract for bankers in Nigeria By Clare Pomrson



## Gartmore Info assets improve


$\qquad$



$\qquad$



Correction
Laird Group


Rentokil expands in Belgium


## Deferring debt with no penalties

Maggie Urry and Norma Cohen on Lowndes' package for recovery


## Western Motor directors propose

 cash buy-out scheme By Ray Bashford$\qquad$

Gaskell held to $£ 1.04 m$ as interest charges surge ay Graham Dollor


Explaura makes $£ 2.16 \mathrm{~m}$ rights as losses increase


# Just because we're a big bank, it doesn't mean we're going to act like one. 

[^0]Nam coldbergy


## COMMODITIES AND AGRICULTURE

EC to unveil organic farming plan y Tim Dickson in Brussels

 pace
premium laie aubl's use.
 "There will be no inspectors cirrently in the chair of the
from Brussels running around
EC Council of Ministers - is com brussels running aroo
checmbin up on people. Th
movernments will
 last nemion official indicated
Measures to encourage
legaic farming meanwhil organic farsuing, encourage
ohound be wistinguished frile the wider debate which is fromh. on food quality.
The a
Tssup was a significant theme rumning through ine
Monde Rurale - the Commis
sion document setting out ideas for dement seinitting oud pro
tecting the countryide and
toll rall communities. In it it the
athorstressed the
portance of valueaddewingut $\boldsymbol{s}$ for tarmers in in an era oft
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onted that socalled labels


Brussels to mediate in dioxin dispute


 phte over Italy's refagal to
import Danteh farm pronincts
saspected of dioxla contamina-
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 may then be parsued

## Sabotaged mine may reopen next month

## Drift from the land gathers pace as 15,000 leave farming

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| The ered pace in Britoin over | 672.000 th 1987. | in ratorns of the kuropanal |
| the last year, with 22 per cent |  | toral policy. |
| Of the farm workinice or neariy | Tere sown on jact over 5 m ba | The US dint hend dechuxd. |
| ture. |  |  |
| According to provisional if. | erect about om ma. Rougn grax | ductiou quotas, althougr the |
|  | for the remainder although the | ng herd inctased |
| exodus has been higgest | census notes a 41 per cent | by 9 per crot |
| mong hired ffrmm workers | incerease in mare man ming |  |
| the census reveals a 38 per | to 82,000 na. prasumanig | 2950 whill the stbeep breetting |
| at deccine in the | reamme for arable band intro- | Hock licreased by 5 per cant. |
| gut drop in seasonal and | duced last | The number of laying iens was |
| aro | Although tee total hand ylo |  |
| The number of taim | cated tocereat | Ilacks following last whitar's |
| ask has remalived at just | by 12 per cent, with barley | salmonellajinesgs scarc. |
| er 730000 over the last three | down 13 per cant there wero | June 2989 enent |
| The total Ux sarm wo | decreases in rapeseed, rela | Service Epsom Road Grild. |
| en, including farmers, is put |  | 20.0433 63722. |


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LONDON STOCK EXCHANGE
Equities close well below their best

 market


## Relief over Royal


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ings ty trigam announced by
Royal while the mincrease in

 And
 expmand about the size of the
diridend -increase
reser .












## APPOINTMENTS

## Promotions

 at Air Call
gealogist. Mr AIM Levinson
 Mir Lyndon Rees has been



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- TRADING VOLUME IN HAAJOR STOCKS




against the worst effects of the tarrers Helped also by talk that
slump in property prices.
a US house was preparing a





| turrers. Helped also by talk that covered warrants ispue, the shares responded yesterday with a rise of 13 to 407 p . | prouerty sector on the back of ans, up 22 at 514p; Mr Simon Fussell, the recently ousted |
| :---: | :---: |
| Lucas Indistries, up 12 at | chairman of the group has 225 |
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| ings - ie the Aerospace and |  |
| Industrial divisions - While Lex |  |
| Service benefited view that a 40 per cent dis | 砳 |
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| dealers said that there has |  |
| ome recent European |  |
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## Interim report


 the year ended December 31 1988:
coriunction with the ootes below:

Turnover

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Number of ordurary shares in 1 ssue ( 0000

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 prices of certalan commoditites produced by our subsidiaries and the



Far and on behalif of the board
Deputy Charman
Copies of the interim report Lill be posted on or abour Wednesday.
August 2319892


| cy) |  |
| :---: | :---: |
| Last day to register for dividend (and ior changes of address or avidend instruction | Friday, September 15 |
| Registers closed from to (Inclusive) | Saturday. September 16 5aturday, September 30 |
| Ex-dividend on The Johannesburg Stock <br> Exchange and on The Siock Exchange - London | Mooday, 5eplember |
| Currency converstion date for sterling payments to shareholders paid from Londo | Monday, September 18 |
| Dividend warrants posted | Toursday Ocrober is |
| Payment date ol dividend | Friday, Octob |
| Rate of non-resident sharehol | 15 perce |
| The filt conditions relaing to the dividend may be inspected at the fohannesburg and Londion offices of the corporation and lts transier secretaries. |  |
| By prder of the board <br> Angfo Arvertem Corportition of South Attica Limited Serreturies |  |
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| per D 3 AritonCrithonal Secretary |  |
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FINANCIAX TMMES FRIDAY AUGUST 181989

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## ELECTRICALS

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INDUSTRIALS (Miscel.)
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## CURRENCIES，MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGES

## Smaller deficit boosts dollar



 veation and also by the release today of US conssmer prices
toin
smad trade figures showed the
smalest dificit tor smailest filed speculation years
and
the fiel
 of short dolluar comention squater of the diguras soi．ions atead
 However，there were still


 improvement unit touched
DM1．groo but filled to break


## EIN NEW YORK

 Sterling index



## MONEY MARKETS

## Rates little changed








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annualised 6 per cent rise in
tbe weekly number of bBnk notes in crrcuation，against 5.8 per cent hen presious week
 agatinst the doliar Sentiment Was belped by the pound＇s
steady perform steady
other maior currencies，includ－ ine the D．Mark．
The Bank of England ini－
Bind tially srecast a money market
credit shortage of sisonm．hut
revised this to s 400 m at noon． revised this to ca400m al naon．
Total nelp of
nis8m was pro－ Tided Before lunch the author．
ities bought $£\{2 \mathrm{zm}$ bank bills in


FINANCIAL FUTURES
Caution over earnings data















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| band 1 at $13 \%$ per cent．In the afternoon another $£ 256 \mathrm{~m}$ bills were purchased，hy way of 86 m per cent and $\mathbf{2 3 5 0 m}$ bank hills in band 1 at $13 \%$ per cent．Late assistance of |  <br>  |  |  |  |  |  |  |
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|  | MONEY RATES |  |  |  |  |  |  |
|  | NEW YORK Treaury allsand Be |  |  |  |  |  |  |
|  | Lunchtime <br> Probertite－ $\qquad$ <br> Fediluns at interention |  |  |  |  |  |  |
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| Exchequer transaccions absorbing £10m；a rise in the note circulation c94m：and |  | \％ome | ${ }^{2}$ | ${ }^{\text {mix }}$ | Homb | St |  |
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| m． <br> US Federal Reserve drained liquidity from |  |  |  |  |  |  |  |
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| chase agreements，when Fed－ |  |  |  |  |  |  |  |
| cent The Fed＇s move mas said | LONDON MONEY |  |  |  |  |  |  |
|  |  | Overrom | （ | ${ }_{\text {moxin }}^{\text {mon }}$ | Thats |  |  |
| ers said expectations of easier monetary policy have been set back hy recent economic news． including yesterday＇s |  |  |  |  |  |  |  |
|  |  |  | 134 <br> 138 <br> 18 |  |  |  |  |
| in tbe US trade deficiti． |  |  |  |  |  |  |  |
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| 1 rete at $81 /$ per inter men－ |  |  |  |  |  |  |  |
| injectine funds into the domes tic banking system through a securities repurcbase tende |  |  |  |  |  |  |  |
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| securities repurcbase tend | 欵 |  |  |  |  |  |  |
| cut in interest rates，in spite o a fall in Freoch inflation．July consumer prices rose 0.3 per |  |  |  |  |  |  |  |
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| tobacco prices，plus second quarter rent increases ．but the annual rate of innlation fell to |  |  |  |  |  |  |  |
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FINANCIAL TIMES FRIDAY AUGUUST 18.1989



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CROSSWORD
No．7，015 Set by FRESCA







WORLD STOCK MARKETS






## america

## Dow pulled down by bout

 of selling in bond market| Wall Street <br> A HEAVY bout of selling in the US government bond mar- ket puiled equities sharply lower yesterday morning in spite of a substantial narrowJune, writes Janet Bush in Nero <br> The Dow Jones Industrial Average traded little changed the US merchandise trade deficit had narrowed to 58.17 bn in June from s10.08bn in May gains of as much as $1 / 2$ point to lower at midsession At 2 pm, the Dow was quoted active volume of 110 m shares. The broodly-based Standard Poors 5 ind index was also quoted lower at midsession as was the American Stock daq Composite index <br> of the market, the Dow Jones ${ }_{30}$ Transportation Average rose half of which was accounted for by another raly in UaL shates after Mr Marvin Dawis raised his bid for the airline by $\$ 35$ to $\$ 275$ a share. <br> The mixed reaction of financial markets after the trade fig- ures were released reflected some coocern in the bond market that the cootinued strength in the US economy which would preclude any furtber |
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adv $\begin{aligned} & \text { vaces } \\ & \text { of } 20 \mathrm{~m} \text { sharses. }\end{aligned}$

## Nikkei edges to new peak after spell of profit-taking



## FT-AGTUARIES WORLD INDICES



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Industrials steal the shine from gold issues Johannesburg has surged as the cash available for equities has risen, writes Jim Jones

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Italy surges 2.2 per cent at start of account




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* Royal Insurance


## INTERIM RESULTS

- Pre-tax profit $£ 119.6 \mathrm{~m}$
- Interim dividend up $13.2 \%$ to 10.75 p per share.
- Premium income up $21.2 \%$ to $£ 2,394,4 \mathrm{~m}$.
- Capital and reserves up $18.1 \%$ to $£ 2,520 \mathrm{~m}$.
- Net assets per share up from 441 p to 519 p .
- The pre-tax profit of $£ 119.6 \mathrm{~m}$, whilst down on the comparable figure of $£ 154.0 \mathrm{~m}$ last year, contained a number of strong features. Record pre-tax profits were achieved by all the general insurance companies with the exception of Royal USA: Following the acquisition of Maccabees Life in the United States we are obtaining the benefits of a wider geographical distribution of our life business with $51.5 \%$ of long-term premiums emanating from outside the UK.



[^0]:    Choosing a bank doesn't just hinge on its size So, although it night impress you to discover we have seven million customers, 522 billion in assets and over 1,600 branches, youll want to know what all that means to you.
    Rest assured. We're just as friendly as we've ever been. And, if anything, we're even more local With TSB Speedlink, you can bank at home and phone in to check your account, pay bills and transfer funds 24 hours a day, seven days a week.

    As we've grown we've found more ways to say yes, too. For example, we've given the nod to five billion pounds in mortgages and the thumbs up to three million credit card holders. We've also agreed to provide loans to thousands of businesses.

    Our positive thinking has helped turn us into one of Britain's largest financial institutions. So now we are able to open even TSB more doors for our customers.

